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DIV. OF OIL, GAS & MINING

File Number M/049/006

Effective Date Feb 5, 2004

Other Agency File Number n/a

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/006  
(Mineral Mined) Fireclay Aggregate

"MINE LOCATION":  
(Name of Mine) Clinton Clay Pit  
(Description) Portions of sections 8 & 9  
T5S R1W Utah County  
Approximately 4 miles west of Lehi on SR73

"DISTURBED AREA":  
(Disturbed Acres) 104  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) Interpace Industries, Inc.  
(Address) 736 W Harrisville Rd  
Ogden, UT 84404  
(Phone) (801) 782-7933

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

C. L. Patterson

736 W. Harrisville Rd.

Ogden, UT 84404

(801) 782-7933

"OPERATOR'S OFFICER(S)":

Jon B. Rhine President

Charles C. Tabaracci VP Finance

SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Merrill Lynch Bank USA

Bank of America -

"SURETY AMOUNT":

(Escalated Dollars)

\$589,500 (\$541,800 & \$47,700)

"ESCALATION YEAR":

2008

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Interpace Industries, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/006 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received February 14, 2003. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Interpace Industries, Inc.  
Operator Name

By Jon B. Rhine  
Authorized Officer (Typed or Printed)

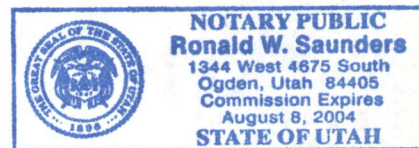
President  
Authorized Officer - Position

[Signature] B. Rhine 1/30/04  
Officer's Signature Date

STATE OF Utah )  
COUNTY OF Weber ) ss:

On the 30<sup>th</sup> day of Jan, 2004, Jon B. Rhine  
personally appeared before me, who being by me duly sworn did say that he/she is the  
President of Interpace Industries, Inc. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said  
Jon B. Rhine duly acknowledged to me that said  
company executed the same.

Ronald W. Saunders  
Notary Public  
Residing at Ogden, Ut  
8-8-04  
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton  
Lowell P. Braxton, Director

2-5-04  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 5<sup>th</sup> day of February, 20 04, Lowell P Braxton  
personally appeared before me, who being duly sworn did say that he, the said  
Lowell P Braxton is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns  
Notary Public  
Residing at: S.L.C. Utah.

April 4, 2005  
My Commission Expires:

## ATTACHMENT "A"

Interpace Industries, Inc.  
Operator

Clinton Clay Pit  
Mine Name

M/049/006  
Permit Number

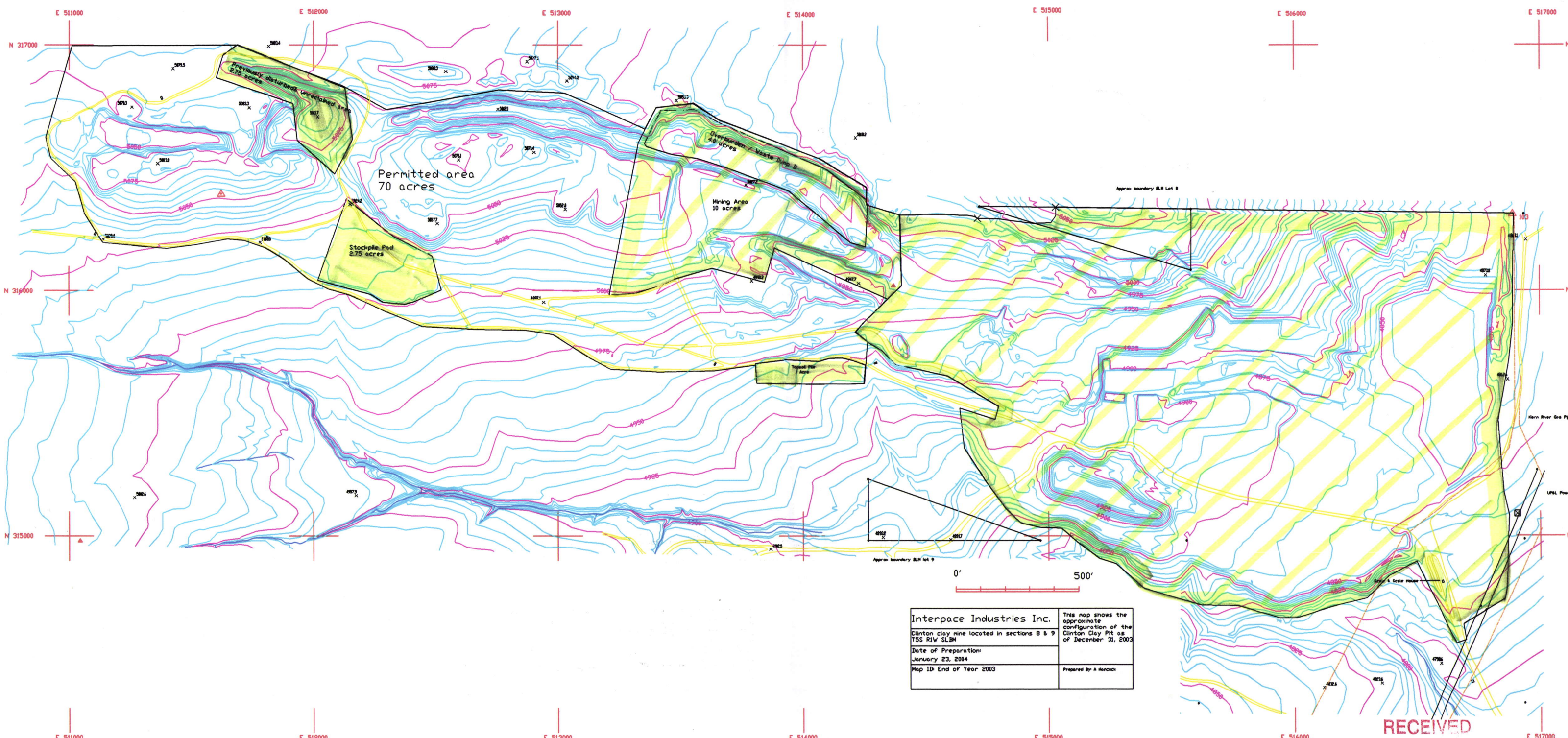
Utah County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 104 acres under the approved permit and surety, as reflected on the attached map labeled SF-2 and dated 1/30/2003:**

NE $\frac{1}{4}$  of SE $\frac{1}{4}$  & the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of section 8 and the S $\frac{1}{2}$  of NW $\frac{1}{4}$  & the N $\frac{1}{2}$  of SE $\frac{1}{4}$  & the N $\frac{1}{2}$  of SE $\frac{1}{4}$  of SE $\frac{1}{4}$  & the N $\frac{1}{2}$  of SW $\frac{1}{4}$  of section 9, T5S R1W  
Utah County, Utah



Interpace Industries Inc.	
Clinton clay mine located in sections 8 & 9 T5S R1W SLBM	
Date of Preparation: January 23, 2004	
Map ID: End of Year 2003	
This map shows the approximate configuration of the Clinton Clay Pit as of December 31, 2003	
Prepared By: A Hancock	

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DIV OF OIL GAS & MINING

m/049/006